



**Nonpublic Postsecondary Education Commission
2082 East Exchange Place
Tucker, Georgia 30084-5305
(770) 414-3300
Fax (770) 414-3309**

**Brian P. Kemp
Governor**

**Kirk Shook
Executive Director**

To: All Parties on the Nonpublic Postsecondary Education Commission's Policy Making Mailing List
All Interested Parties via Publication by the Nonpublic Postsecondary Education Commission

From: Georgia Nonpublic Postsecondary Education Commission
2082 E. Exchange Place
Tucker, GA 30084

Date: P qxgo dgt'33.'4245

The Nonpublic Postsecondary Education Commission (NPEC) is continuing to take steps to update its currently promulgated policies to ensure that they are accurate and current. NPEC will hold its Quarterly Commission meeting on Monday, P qxgo dgt'49 at 1pm at the Philadelphia College of Osteopathic Medicine/ South Georgia campus at 2050 Tallokas Road, Moultrie, GA 31768. At that meeting, the Commission intends to take the following steps.

The Commission will vote regarding amending the following policy:

Policy 16: Surety Bond and Letter of Credit Forms and Requirements

1. Pursuant to Code Section 20-3-250.8(a) Each nonpublic postsecondary educational institution desiring to operate or conduct postsecondary activities in this state shall make application to the commission, upon forms to be provided by the commission.
2. In accordance with O.C.G.A. § 20-3-250.10, an initial or renewing applicant for authorization to operate *may* be required to file with the executive director a good and sufficient surety bond with at least a B+ bond rating by a recognized bond rating agency in such sumas determined by the Commission in accordance with the bond amount schedule. As of July 1, 2022, required bond amounts are as follows:

<u>Gross Tuition</u>	<u>Minimum Bond</u>
\$ 0.00 -- \$ 50,000.00.....	\$ 20,000.00
50,001.00 -- 100,000.00.....	30,000.00
100,001.00 -- 200,000.00.....	50,000.00
200,001.00 -- 300,000.00.....	75,000.00
300,001.00 -- 400,000.00.....	100,000.00
400,001.00 -- 500,000.00.....	150,000.00
500,001.00 -- 1,000,000.00.....	250,000.00
1,000,001.00 -- 2,000,000.00	350,000.00
2,000,001.00 -- 5,000,000.00.....	500,000.00
5,000,001.00—10,000,000.00.....	750,000.00
10,000,001.00 and over.....	1,000,000.00*

*For every \$10,000,000.00 of additional gross tuition reported by the institution, an additional \$1,000,000.00 of bonding shall be required. For example, for an institution reporting \$50 million in gross annual tuition, a \$5 million bond would be required.

The required bond amounts are subject to change from time to time by commission vote.

Pursuant to statute and this Policy, the bond must be provided to GNPEC in substantial conformance with the form attached hereto as Exhibit “A,” and incorporated herein by reference.

3. These forms may be updated from time to time by the Commission to reflect revisions to statute and to make administrative revisions.
4. The Executive Director is authorized, in his or her sole discretion, to require an applicant to file with the commission a surety bond if a financial assessment includes findings or notes raising concern about such applicant’s institutional internal controls or recommends that such applicant be placed on financial monitoring status.
5. An institution’s failure to maintain a surety bond as set forth herein will result in suspension and/or termination of its authorization to operate, in accordance with O.C.G.A. § 20-3-250.10 and a determination by the Executive Director in accordance with applicable law and agency policies.

Exhibit A

State of Georgia Nonpublic Postsecondary Education Commission

NONPUBLIC POSTSECONDARY EDUCATIONAL INSTITUTION BOND

Bond No. _____
(To be Assigned by Surety)

Know All Men By These Presents, that we _____,
(Name of Principal - i.e. Name of Postsecondary Institution)

located at _____
(Address of Principal)

as Principal and _____, a corporation of the State of _____,
(Name of Surety)

lawfully doing business in the State of Georgia, as Surety, are held and firmly bound unto the State of Georgia for the use and benefit of any person or governmental subdivision or trust fund of the State of Georgia which may suffer expense or damage through the breach of this bond in the penal sum of \$_____ for which sum well and truly to be paid to the State of Georgia, its certain attorneys or assigns, any student or enrollee or his or her parent or guardian, or class thereof, said Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

Whereas, the above bounden Principal, a "postsecondary educational institution" as that term is defined in the "Nonpublic Postsecondary Educational Institutions Act of 1990," O.C.G.A. § 20-3-2.50.1, et. seq. (GA Laws 1990, pp. 1166-1200; 1991, pp. 687-691, 980-981), desires to operate its institution at the above-stated location as authorized by and in conformity with the provisions of said Act and all rules and regulations promulgated by the Nonpublic Postsecondary Education Commission thereunder, and

Whereas, said "Nonpublic Postsecondary Educational Institutions Act of 1990" requires the filing of a blanket bond in the penal sum of \$_____ (as determined by the formula in O.C.G.A. § 20-3-250.10 (b)) before a 'Certificate of Authorization' can be issued to the institution.

Now, Therefore, The Condition Of This Obligation is that if neither the Nonpublic Postsecondary Educational Institutions Act of 1990 nor any rule or regulation adopted pursuant thereto shall be violated by the institution or any of its officers, agents, or employees, or if the parties shall promptly pay all damages or expenses which the State, or any governmental subdivision thereof, or any person may sustain resulting from any such violation, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

1. The aggregate liability of the Surety shall not exceed the sum amount of the required bond on all breaches of the condition of the bond by the institution | and its officers, agents, or employees, nor shall the penal sum of the bond be considered cumulative from year to year.
2. The Surety shall have the right to cancel this bond at any time by a written notice, stating when the cancellation shall take effect and served or sent by registered mail to the Nonpublic Postsecondary Education Commission at least thirty (30) days prior to the date that the cancellation becomes effective, but said Surety so filing said notice shall not be discharged from any liability already accrued under this bond or which shall accrue hereunder before the expiration of said thirty (30) day period.
3. Without limiting the effect of any other provision herein which is not in conflict therewith, this bond is to be construed as a statutory bond under the provision of O.C.G.A. § 20-3-250.1, et. seq., the Nonpublic Postsecondary Educational Institutions Act of 1990.
4. **This** obligation shall be effective beginning _____, 20____ and ending _____, 20____.

Signed and sealed this _____ day of _____, 20____

Attest

Attest

(Seal)

By _____

(Seal)

By _____

Interested persons may submit written comments to Kirk Shook, Executive Director, Georgia Nonpublic Postsecondary Education Commission, 2082 East Exchange Place, Tucker, Georgia 30084- 5305, info@gnpec.ga.gov. All written comments must be received by 9:00 a.m. on Monday, November 27, 2023. Interested persons may also participate in the proposed policy making by presenting comments orally at a public hearing to commence at 1:00 p.m. on November 27, 2023 at the Philadelphia College of Osteopathic Medicine/ South Georgia campus at 2050 Tallokas Road, Moultrie, GA 31768 at the Quarterly Commission Meeting.

Oral presentations at the hearing may be limited to five (5) minutes per person in order to afford all interested persons an opportunity to be heard. If you have a physical impairment and require assistance or have any questions regarding this notice, please contact the Nonpublic Postsecondary Education Commission.

Based upon full consideration of all written and oral comments regarding the above matters, the Commission may reject or adopt the proposed policies or may make changes to the proposed policies.

The Commission intends to consider these matters at a Quarterly Commission Meeting at 1:00 p.m. on November 27, 2023 at the Philadelphia College of Osteopathic Medicine/ South Georgia campus at 2050 Tallokas Road, Moultrie, GA 31768.

Direct all written correspondence to:

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